



U.S. Department of Justice

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PRESS RELEASE

GRAND JURY RETURNS INDICTMENT CHARGING FOUR WITH CONSPIRACY TO IMPEDE IRS; TAX EVASION IN SCHEME TO CONCEAL INCOME FROM IRS

SALT LAKE CITY – A federal grand jury returned an 11-count indictment today charging four Salt Lake City residents with conspiring to conceal profits stemming from their mergers and acquisition business from the IRS and under-reporting or not reporting income over a span of approximately seven years. During that period, the indictment alleges, the defendants sold more than \$30 million in stock and used more than more than 20 nominee bank accounts and 30 nominee brokerage accounts to hide and conceal their participation in deals and their ownership and control over the money from stock sales from the IRS.

Charged in the indictment are Lester Hemmert Mower, age 49; Eva Jeanette Mower, age 49; Adrian Angus Wilson, age 48; and Nathan Whitney Drage, age 50, all of Salt Lake City.

Count one of the indictment charges all four defendants with conspiracy to impair and impede the IRS. The remaining 10 counts of the

indictment charge the defendants with tax evasion relating to several different tax years. Summons will be issued to the defendants to appear for an arraignment in federal court.

The indictment alleges the four were engaged in a merger and acquisition business from 1999 to around 2006. According to the indictment, the defendants, acting through nominee individuals or entities, took private companies public, obtained control of stock of the new public companies, and sold such stock for personal gain. When the stock was sold through multiple brokerage accounts, the defendants obtained the benefit of those sale proceeds, all while concealing their control of the money through nominee entities, individuals, and multiple bank accounts, the indictment alleges.

(See page 4 of the indictment for definitions of “nominee” and “nominee entities.”)

The indictment alleges that as a part of the conspiracy, the defendants caused nominees to receive, transfer, and sell stock of the public shells and the new public companies; to transfer money from stock sales between and among numerous bank accounts; and spend some of that money for the defendants’ benefit. The defendants also used nominee and personal bank accounts to receive and spend money from stock sales for personal expenses, the indictment alleges.

According to the indictment, the defendant used nominees to hide and conceal from the IRS and others their participation in and control over the transactions and any profits they received from them. The indictment alleges the defendants caused nominees to open or use more than 30 brokerage accounts and more than 20 bank accounts to hide and conceal their ownership or control over money from the IRS.

The tax evasion counts allege the defendants either under-reported income and the amount of tax due to the IRS or failing to file tax returns.

The potential maximum penalty for conspiracy to impair and impede the IRS is up to five years in prison and a fine of \$250,000. The potential penalty for tax evasion is up to five years in prison, a fine of \$100,000, and the cost of prosecution. Defendants charged in indictments are presumed innocent unless or until proven guilty in court.